

File No. 130359

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date May 20, 2013

Board of Supervisors Meeting Date _____

Cmte Board

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| ☐ | ☐ | Motion |
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| ☐ | ☐ | Ordinance |
| ☐ | ☐ | Legislative Digest |
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OTHER (Use back side if additional space is needed)

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| ☒ | ☐ | Easement Agreement |
| ☒ | ☐ | Public Utilities Commission Resolution No. 13-0052 |
| ☒ | ☐ | General Plan Referral, dtd 5/7/13 |
| ☒ | ☐ | Categorical Exemption Determination, dtd 8/30/12 |
| ☐ | ☐ | _____ |
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Completed by: Alisa Miller Date May 17, 2013

Completed by: _____ Date _____

1 [Sale of Easement - Public Utilities Commission to Pacific Gas & Electric Company -
2 Watershed Lands Near Edgewood Road, Unincorporated San Mateo County - \$2,200]

3 **Resolution approving and authorizing the sale of an easement on the City and County**
4 **of San Francisco's property, consisting of approximately 7,800 square feet of**
5 **watershed lands in unincorporated San Mateo County, near Edgewood Road, by the**
6 **Public Utilities Commission, for the price of \$2,200; adopting findings under the**
7 **California Environmental Quality Act; adopting findings that the conveyance is**
8 **consistent with the General Plan and the priority policies of Planning Code, Section**
9 **101.1; and authorizing the Director of Property to execute documents, make certain**
10 **modifications, and take certain actions in furtherance of this Resolution.**

11
12 WHEREAS, The mission of the San Francisco Public Utilities Commission (SFPUC) is
13 to provide SFPUC customers with high quality, efficient and reliable water, power and sewer
14 services, while sustaining our precious resources; and

15 WHEREAS, The SFPUC owns and operates dams and reservoirs on the San
16 Francisco Peninsula (the Peninsula Watershed) to fulfill this mission; and,

17 WHEREAS, The Pacific Gas and Electric Company (PG&E), the supplier of gas and
18 electric utilities to most of Northern California, has multiple easements within the Peninsula
19 Watershed lands for natural gas transmission pipelines; and

20 WHEREAS, Pursuant to certain California Public Utilities Commission mandates,
21 PG&E is required to upgrade the operational and seismic safety of its pipeline infrastructure
22 by this summer; and

23 WHEREAS, To complete the safety upgrades, PG&E is required to install automated
24 valves, remote-monitoring equipment, and in-line inspection technologies on its existing gas
25

1 lines, and PG&E requires additional space to install this equipment near Edgewood Road in a
2 secured and fenced valve lot (Edgewood Valve Lot or Easement Area); and

3 WHEREAS, Pursuant to Charter Section 8B.121(a), the SFPUC has exclusive charge
4 of the real property assets under its jurisdiction; and

5 WHEREAS, The SFPUC recommends selling PG&E the Easement for the Edgewood
6 Valve Lot, because SFPUC has found the Easement Area to be surplus to SFPUC's utilities
7 needs and because enhanced natural gas pipeline safety within the Peninsula Watershed is
8 important to protecting SFPUC's watershed and water system; and

9 WHEREAS, A third party appraiser assessed the Easement as having a fair market
10 value of \$2,200 in January of 2013 (Appraisal), and the City's Director of Property reviewed
11 and approved the Appraisal; and

12 WHEREAS, PG&E has agreed to update the language of its existing pipeline easement
13 at this location to grant the SFPUC indemnity and insurance protections it did not have before;
14 and

15 WHEREAS, SFPUC staff and PG&E have negotiated proposed terms and conditions of
16 the Easement, set forth in the form of Easement Agreement that is part of the record before
17 this Board, including a purchase price of \$2,200 and the reservation to the City of rights to use
18 the Easement Area for uses that are compatible with PG&E's valve station and pipelines; and

19 WHEREAS, On August 30, 2012, the City Planning Department issued a Certificate of
20 Determination (COD) under the California Environmental Quality Act (CEQA), a copy of which
21 is part of the record before this Board, and determined that this proposed conveyance of an
22 easement to PG&E would fall under a Class 1 Categorical Exemption (CEQA Guidelines
23 Section 15301) for minor alterations of existing facilities to provide natural gas service
24 involving negligible expansion of use, and would not have a significant effect on the
25 environment; and

1 WHEREAS, On January 7, 2013, the SFPUC's Bureau of Environmental Management
2 concurred with the City Planning Department's COD under CEQA by memorandum; and

3 WHEREAS, Offering the Easement by competitive bidding process or auction would be
4 impractical because the Easement is located on top of and immediately adjacent to PG&E's
5 existing easement containing a major subsurface gas transmission pipeline and surface valve
6 lot equipment; and

7 WHEREAS, On April 9, 2013, the SFPUC Commission approved the sale of the
8 Easement and the form of the Easement Agreement, by Resolution No. 13-0052, a copy of
9 which is on file with the Clerk of the Board of Supervisors in File No. 130359; and

10 WHEREAS, The Director of the Planning Department, by letter dated May 7, 2013,
11 found that this sale of the Easement is consistent with the City's General Plan and with the
12 Eight Priority Policies of City Planning Code Section 101.1, and is categorically exempt from
13 Environmental Review, a copy of which findings is on file with the Clerk of the Board of
14 Supervisors under File No. 130359 and is incorporated herein by reference; now, therefore,
15 be it

16 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
17 hereby finds that the Easement is consistent with the General Plan and with the Eight Priority
18 Policies of City Planning Code Section 101.1, and is categorically exempt from Environmental
19 Review for the same reasons as set forth in the letter of the Director of Planning dated
20 May 7, 2013, and the COD dated August 30, 2012; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors finds that the public interest or
22 necessity will not be inconvenienced by the conveyance of the Easement, because SFPUC
23 does not need the Easement Area for utility facilities and because conveyance of the
24 Easement will enable PG&E to enhance the safety of its gas pipeline facilities in the Peninsula
25 Watershed; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors finds that an auction or
2 competitive bidding process would be impractical, because the subject real property is not
3 capable of independent development given its location over and adjacent to an existing PG&E
4 gas transmission pipeline and valve equipment; and, be it

5 FURTHER RESOLVED, That in accordance with the recommendation of the General
6 Manager of the SFPUC and Director of Property, the Board of Supervisors hereby approves
7 the sale of the Easement for the appraised value of \$2,200, and the terms and conditions of
8 the Easement in substantially the form of the Easement Agreement presented to the Board
9 and authorizes the Director of Property or the SFPUC General Manager, in the name and on
10 behalf of the City and County, to execute the Easement Agreement; and, be it

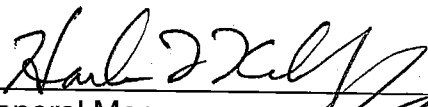
11 FURTHER RESOLVED, That all actions heretofore taken by any employee or official of
12 the City with respect to this acquisition are hereby approved, confirmed and ratified; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
14 Property or the SFPUC General Manager to enter into any amendments or modifications to
15 the Easement Agreement (including, without limitation, the attached exhibits) that the Director
16 of Property determines, in consultation with the City Attorney and SFPUC General Manager,
17 are in the best interest of the City, do not otherwise materially diminish the benefits to the City
18 or increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
19 purposes of the Easement Agreement and are in compliance with all applicable laws,
20 including City's Charter; and, be it

21 FURTHER RESOLVED, That the Director of Property or the SFPUC General Manager
22 is hereby authorized and urged, in the name and on behalf of the City and County, to take any
23 and all steps (including, but not limited to, the execution and delivery of any and all
24
25

1 certificates, agreements, notices, consents, escrow instructions, closing documents and other
2 instruments or documents) as the Director of Property deems necessary or appropriate in
3 order to consummate the conveyance of the Easement pursuant to the Easement Agreement,
4 or to otherwise effectuate the purpose and intent of this resolution, such determination to be
5 conclusively evidenced by the execution and delivery by the Director of Property of any such
6 documents.

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15 Recommended:

16 
17 General Manager
18 San Francisco Public Utilities Commission

19 
20 Director of Property
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RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2013 APR 19 PM 3:53

AK



John Updike
Director of Real Estate

April 17, 2013

Through Naomi Kelly,
City Administrator

SFPUC/PG&E
Edgewood Valve Lot in San Mateo
County
Assignment #
Sale of Easement

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Board Members:

Attached for your consideration is a Resolution authorizing the conveyance of an easement (Easement) to the Pacific Gas and Electric Company (PG&E) as grantee and the City and County of San Francisco as grantor, acting by and through its Public Utilities Commission (SFPUC), for a new valve lot (Edgewood Valve Lot) within the Peninsula watershed in unincorporated San Mateo County.

PG&E has embarked on a capital improvement plan, known as the Pipeline Safety Enhancement Plan (PSEP) to upgrade gas pipeline safety. PG&E owns and operates several large gas transmission lines that run through the SFPUC's Peninsula watershed lands. PG&E obtained easements for these gas lines through condemnation in the past. The system-wide PSEP upgrades include the installation of a new pipeline, automated valves, and in-line inspection technologies.

The proposed easement area overlaps with an existing easement area for a PG&E gas pipeline. Specifically at the Edgewood Valve Lot, PG&E proposes to acquire the Easement to install an approximately 7,800 square feet valve lot. The Edgewood Valve Lot will consist of automated valves, remote-controlled equipment, and Pipeline Inspection Gauge (PIG) launchers and receivers. All of the installations will be secured within a fenced area.

The SFPUC is required to obtain not less than fair market value for sale of its property. PG&E and the SFPUC agreed to use a mutually acceptable third-party neutral appraiser that is MAI-certified. ARWS, a city-approved vendor, was selected as this appraiser. Using properties comparable to the proposed easement area, the appraiser valued the subject easement at \$2,200. The City's Real Estate Division has reviewed the appraisal and agrees that the methodology used was sound and that the \$2,200 appraised value is not less than fair market value.

As additional, non-monetary consideration, PG&E has agreed to modify the terms of its existing pipeline easement to grant indemnity and insurance protections to the SFPUC. The existing easement was obtained by condemnation and did not contain indemnity nor insurance provisions.

There will be no operational impacts to the SFPUC due to the valve lot on this new Easement. Further, there is no budgetary impact because PG&E is paying fair market value and is obligated to restore disturbed areas, if any, to a condition satisfactory to the SFPUC.

PG&E is under strict California Public Utilities Commission (CPUC) deadlines to finish the safety upgrades to its gas lines. The SFPUC recommends that this Board of Supervisors approve this action because gas pipeline safety within the Peninsula Watershed is essential to ensuring the City's and the Bay Area's water supply.

For California Environmental Quality Act (CEQA) review, the City's Planning Department has issued a Certificate of Determination stating that the work falls under a Categorical Exemption (Class 1) under CEQA Guidelines Section 15301. The SFPUC's Bureau of Environmental Management, acting as the responsible agency under CEQA, has reviewed the Certificate of Determination and has issued a memorandum to indicate its concurrence. Both CEQA documents are on file with the Clerk of the Board.

This project has been submitted to the City's Planning Department for a General Plan Review. By email on April 10th, 2013, City Planning indicated that a confirmation of conformance is expected by April 27th, 2013. SFPUC staff will deliver a copy of the letter to the Clerk of the Board upon receipt.

Under SFPUC Resolution 13-0052, adopted by the SFPUC on April 9, 2013, a copy of which is on file with the Clerk of the Board, SFPUC adopted findings that the proposed easement conveyance complies with CEQA. In the same resolution, the SFPUC approved the recommendation of this easement conveyance to the Board of Supervisors.

If you have any questions regarding this matter, please contact Rosanna Russell, SFPUC Real Estate Director, at 415-487-5213.

Sincerely,



John Updike
Director of Real Estate

cc. Harlan L. Kelly, Jr., General Manager, SFPUC
Rosanna Russell, Real Estate Director, SFPUC
Carolyn Stein, City Attorney's Office

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City and County of San Francisco
San Francisco Public Utilities Commission
Real Estate Director
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102

The undersigned City declares this instrument to be exempt
from recording fees (Govt. Code §6103 and 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

EASEMENT AGREEMENT

(Conveyance of Natural Gas Valve Station Easement and Modification of Existing Easement)

PG&E Edgewood Valve Lot - LD# 2305-04-2161

(Portion of San Mateo County APN 093-102-110)

This **EASEMENT AGREEMENT** ("**Agreement**"), dated for reference purposes only as of _____, 2013, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**"), acting through its Public Utilities Commission ("**SFPUC**"), and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**PG&E**").

RECITALS

A. City owns certain real property located in unincorporated San Mateo County, California, described as "Parcel 31-A: Watershed Land at South End of Crystal Springs Reservoir" in the deed from Spring Valley Water Company to the City and County of San Francisco, dated March 3, 1930, and recorded in Book 491 at Page 1 in San Mateo County Records (the "**Property**").

B. Pursuant to that Final Order of Condemnation dated July 18, 1978, in San Mateo County Superior Court Case No. 203416, recorded July 18, 1978 in Book 7763 at page 57, San Mateo County Records (the "**Final Order**"), PG&E has an existing easement (the "**Existing Easement**") in, on, over and across that portion of the Property labeled "Parcel 22" in the Final Order and further described in the Final Order ("**Existing Easement Area**") for PG&E gas transmission pipes, pipe lines, conduits and/or connections, appurtenances and accessories. A portion of the Existing Easement Area is shown on attached **Exhibit B**.

C. PG&E desires to acquire an additional easement in, on, over and across a portion of the Property for purposes of expanding its existing valve station and installing new gas transmission safety infrastructure, and City is willing to quitclaim such easement to PG&E on the terms and conditions set forth herein, which include the modification of the terms and conditions of the Existing Easement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. The defined terms below apply to this entire document.

- a. **“Commission”** means the five-member body nominated by the Mayor of San Francisco and approved by the Board of Supervisors of San Francisco that provides operational oversight for the City’s water, power and sewer utilities.
- b. **“Easements”** means the Valve Station Easement and the Existing Easement, collectively.
- c. **“Effective Date”** means the date on which this Agreement has been executed and delivered by both Parties and approved by resolution of SFPUC’s Commission and by ordinance or resolution of City’s Board of Supervisors and Mayor.
- d. **“Exhibit A”** means the Edgewood Valve Lot legal description attached to this Agreement titled “Exhibit A” with identification number LD 2305-04-2161 at the top of the page and bearing the signature and seal of California Licensed Land Surveyor, Christopher A. Chu on October 9, 2012.
- e. **“Exhibit B”** means the Edgewood Valve Lot drawing attached to this Agreement, depicting the Valve Station Easement Area and its surroundings, titled “Exhibit B” with Drawing Number L-9263 in the lower right corner and bearing the signature and seal of California Licensed Land Surveyor, Christopher A. Chu on October 9, 2012.
- f. **“Exhibit C”** [Intentionally omitted].
- g. **“Exhibit D”** means the attached pages detailing PG&E’s obligations to carry insurance.
- h. **“Exhibit E”** means the attached page that describes the drawings and photographs depicting PG&E’s proposed improvements for the Valve Station Easement Area, which drawings and photographs are incorporated into this Agreement by reference.
- i. **“Exhibit F”** means the attached pages detailing SFPUC’s Heavy Equipment Restrictions.
- j. **“Parties”** means collectively, the City, acting through its SFPUC, and PG&E.
- k. **“Surface Disturbance”** means material disturbance of the ground, including any grading, filling, excavation of more than 5 cubic yards, compaction, erosion, topographic changes, alteration of stream channels or surface drainage, planting of vegetation, removal of vegetation, or other material impacts to the physical features of real property (as opposed to PG&E’s fixtures, equipment or facilities), resulting from PG&E’s exercise of its rights under the Easements. For purposes of this Agreement, Surface Disturbance does not include minor excavations (of 5 cubic yards or less) where the spoil is placed entirely within the Easement Area or potholing of PG&E’s facilities.
- l. **“Valve Station Easement”** is defined in **Section 2**.
- m. **“Valve Station Easement Area”** means the portion of the Property particularly described in attached **Exhibit A** and shown in attached **Exhibit B**. The Valve Station Easement Area

overlaps to some extent with the Existing Easement Area. The Valve Station Easement Area and the Existing Easement Area are sometimes referred to herein collectively as the "Easement Areas."

2. Quitclaim of Valve Station Easement. In consideration of the covenants and conditions of this Agreement and the sum of Two Thousand Two Hundred Dollars (\$2,200.00), receipt of which City acknowledges, and subject to the terms and conditions specified in this Agreement, City hereby quitclaims to PG&E a nonexclusive easement in gross ("**Valve Station Easement**") over, across, in and on the Valve Station Easement Area for the following purposes only:

a. Installing, constructing, operating, maintaining, using, repairing and replacing automated valves and other safety facilities for natural gas transmission, including above ground and underground pipes with necessary and proper valves with above ground gearing, mechanical and automatic valve operators together with such other appliances, fittings, devices, control cabinets, equipment, associated supports, concrete pedestals and pads, and fixtures, including an electric generator, necessary for the purpose of launching and/or receiving internal pipeline devices used to inspect, maintain, and monitor PG&E's natural gas pipeline system, equipment necessary for metering, regulating, and discharging gas into the atmosphere as permissible by law, data-transmitting and data-receiving equipment and communication equipment, consisting of, but not limited to, antennae and equipment boxes for the purpose of receiving and transmitting data necessary to remotely monitor, control and operate equipment associated with PG&E's gas transmission pipeline facilities, and concrete curbing, pavement and a fence enclosure, as shown and described in the drawings and photographs described in attached **Exhibit E**, and as may be consented to by SFPUC in the future pursuant to **Section 7**. The facilities shall remain PG&E's property at all times and PG&E shall have the right to remove, or take out of active service, any or all of the facilities at any time and for any length of time, subject to **Section 10**.

b. Trimming and cutting down trees and brush, as permitted under **Section 9.c** below.

c. Marking the location of the Valve Station Easement Area and subsurface installations by suitable markers set in the ground.

3. Modification of Existing Easement. As a condition to PG&E's acquisition of the Valve Station Easement, PG&E and City agree that the provisions of **Sections 6** through **15**, **21** and **22** herein shall apply to the Existing Easement as well as the Valve Station Easement, commencing as of the Effective Date. In the event of a conflict between such provisions and the Final Order, the provisions of **Sections 6** through **15**, **21** and **22** of this Agreement will prevail.

4. Ingress and Egress Rights. Ancillary to the Valve Station Easement, PG&E shall have the rights of ingress and egress to and from the Valve Station Easement Area over and across adjacent SFPUC lands by means of existing roads and lanes if possible, but otherwise by such route that would cause the least possible damage and inconvenience to City. For routine maintenance and operations that do not involve Surface Disturbance or off-road access, PG&E shall notify the SFPUC at least two (2) business days in advance before crossing SFPUC lands to access the Valve Station Easement Area, which notice may be given in accordance with **Section 14.c**. or by email or fax to an email address or fax number furnished by SFPUC in writing for that purpose. For any other construction work or any work involving any Surface Disturbance or off-road access, PG&E shall notify SFPUC 30 days in advance in writing in accordance with **Section 14.c**. In the case of emergencies requiring immediate access, PG&E shall notify SFPUC by telephone as provided in **Section 14.b**, concurrently with dispatching PG&E's crew, and in writing as soon as reasonably possible after the emergency conditions have been addressed. The rights conveyed in this subsection do not apply if the Valve Station Easement Area is accessible by any public road or highway. Except for (a) emergencies requiring immediate access, or (b) inspections that will not require any off-road access or excavation and will not significantly disrupt activities within

the Property, PG&E's ingress to and egress from the Valve Station Easement Area will be at such hours and times as may be reasonably designated by City. Access shall be subject to such conditions as City may reasonably require relating to hours of work, security and concurrent use of access roads. In addition, off-road access shall be subject to City's reasonable conditions relating to watershed management, including protection of sensitive species and habitat and prevention of erosion.

5. As-Is Condition. PG&E ACCEPTS THE VALVE STATION EASEMENT AREA PURSUANT TO THIS AGREEMENT IN ITS "AS IS" CONDITION, WITH ALL FAULTS AND ACKNOWLEDGES AND AGREES THAT THE CITY HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE VALVE STATION EASEMENT AREA. Without limiting the foregoing, the Valve Station Easement is made subject to all applicable laws, rules, and ordinances governing the use of the Valve Station Easement Area, and to any and all covenants, conditions, restrictions, easements, encumbrances, claims of title and other title matters affecting the Valve Station Easement Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey. It is PG&E's sole obligation to conduct an independent investigation of the Valve Station Easement Area and all matters relating to its use hereunder, including, without limitation, the suitability of the Valve Station Easement Area for such uses. PG&E, at its own expense, shall obtain such permission or other approvals from any third parties with existing rights as may be necessary for such party to make use of the Valve Station Easement Area in the manner contemplated hereby.

6. Nonexclusivity. The Easements are nonexclusive. City may use the Easement Areas and grant additional rights at its sole discretion on or near the Easement Areas to other parties, including but not limited to, in the form of licenses, easements, or similar transfers of the underlying property, so long as such future uses do not unreasonably interfere with PG&E's permitted use of the Easement Areas in accordance with this Agreement. Notwithstanding the foregoing, City agrees that it will not grant rights to third parties to use the Valve Station Easement Area without PG&E's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. By way of example but not limitation, the Parties agree that it shall be reasonable for PG&E to withhold consent to any such proposed use that would impair the security or safety of PG&E's operations or installations within the Valve Station Easement Area.

7. Further Approvals for Future Improvements. Any installation of facilities by or for PG&E beyond the initial improvements and facilities described and shown in the plans described in **Exhibit E**, and the existing gas pipelines and appurtenances installed within the Existing Easement Area as of the Effective Date, shall require further consent by the SFPUC if the improvements or facilities will be located on or above the surface of the ground or will require Surface Disturbance within the Easement Areas. Notwithstanding the foregoing, PG&E may, without SFPUC's consent, replace, modify or remove its subsurface gas pipelines within the Existing Easement Area, and install additional subsurface gas pipelines within the Existing Easement Area, so long as PG&E complies with the advance notice requirement and other requirements of this Agreement applicable to such work; provided, however, that SFPUC's consent will be required for any portion of such work (including staging and storage of materials, spoils and equipment) that is proposed to occur outside of the Existing Easement Area. Further, notwithstanding the foregoing, PG&E may, without SFPUC's consent, replace or substitute the Valve Lot improvements and facilities identified in the plans described in **Exhibit E** within the Valve Station Easement Area so long as (i) such replacement or substitution is not materially different in dimensions, quantity or location from the improvements and facilities depicted in the plans described in **Exhibit E**, (ii) PG&E complies with the advance notice requirement and other requirements of this Agreement applicable to such work, (iii) such work (including staging and storage of materials, spoils and equipment) occurs entirely within the Easement Areas; and (iv) such replacement or substitution work does not involve Surface Disturbance. Such consent shall not be unreasonably withheld, conditioned or

delayed for work within the Easement Areas. By way of example but not limitation, the Parties agree that it shall be reasonable for SFPUC to require that gas transmission pipelines be located beneath the surface of the ground and to require visual screening of above-ground improvements that PG&E proposes to install within sight of residential areas or public trails. If the location of proposed future improvements is within the boundaries of the 1969 Scenic and Recreation Easement administered by the National Park Service as part of the Golden Gate National Recreation Area, PG&E will cooperate with City to obtain any necessary consent from the National Park Service. SFPUC's consent to or approval of further improvements shall not relieve PG&E or its engineers, architects or contractors from any liability for negligence, errors or omissions associated with the design and construction thereof. In no event shall SFPUC's approval of the plans and specifications be deemed to constitute a representation or warranty by City concerning the suitability of the improvements for PG&E's purposes or that the work called for in the plans and specifications complies with applicable building codes or other applicable laws or industry standards nor shall such approval release PG&E from PG&E's obligation to supply plans and specifications that conform to applicable building codes, other laws and industry standards.

8. Construction, Maintenance and Repair.

a. PG&E will install, operate, maintain, repair, replace, or remove its facilities at its sole cost, and shall keep the Easement Areas free from any liens arising out of any work performed, material furnished, or obligations incurred by or for PG&E therein pursuant to this Agreement.

b. PG&E shall be solely responsible for repairing and maintaining all PG&E facilities placed in, on, over or under the Easement Areas in good, safe and secure condition, and City shall have no duty whatsoever for any repair or maintenance of the Easement Areas.

c. PG&E shall provide advance notice of all work in accordance with **Section 14.c**, and shall use, and shall cause its Agents (as defined below) to use, due care at all times to avoid any damage or harm to City's facilities or other property and to native vegetation and natural attributes of the City's Property and to minimize slope erosion. PG&E shall perform all work in accordance with applicable codes and industry standards, including performing adequate testing and inspections as the work progresses. City shall have the right to condition any excavation within the Valve Station Easement Area and/or oversee any excavation work within the Easement Areas. Under no circumstances shall PG&E damage, harm or take any rare, threatened or endangered species on or about City's Property except as may be authorized under Applicable Law (as defined in **Section 11**) and provided that PG&E, at its sole cost, obtains all permits required by Applicable Law, including the Endangered Species Act.

d. Promptly upon completion of the installation or modification of facilities within the Valve Station Easement Area, PG&E shall furnish SFPUC with two (2) complete copies of final as-built drawings for the facilities, which drawings shall include sufficient detail so as to allow City to locate all the facilities. In the event that PG&E or its agents or consultants prepares any environmental, seismic, geophysical or other written report relating to the physical condition of the Easement Areas and/or any Surface Disturbance thereon, PG&E shall furnish to City a complete copy of such report, including any schedules, exhibits and maps, promptly upon completion of the same.

9. Covenants. The Parties covenant and agree to the following provisions:

a. **Watershed Management Plan.** PG&E shall, at all times, comply with the SFPUC Peninsula Watershed Management Plan and the SFPUC Watershed Field Manual in its use of the Easement Areas and exercise of the rights conveyed under the Easements.

b. **Tree and Shrub Planting.** PG&E shall not plant any trees or shrubs within the Easement Areas without the SFPUC's prior approval.

c. **Tree Trimming.** PG&E's exercise of the rights under the Easements may result in damage to or the removal or trimming of trees and landscaping, including shrubs, flowers, plants, and grass within the Easement Areas. City grants PG&E the right to trim or cut down any trees, brush, and other vegetation within the Easement Areas and to trim trees, brush, and vegetation along each side of the Easement Areas if PG&E determines it is a safety hazard or if required by Applicable Law (as defined in **Section 11**), subject, however, to SFPUC's Peninsula Watershed Management Plan. PG&E shall have no obligation to replace any such affected vegetation on the Property, except as required by Applicable Law or to comply with the Best Management Practices under SFPUC's Peninsula Watershed Management Plan. After any work permitted under this subsection, PG&E shall remove from the Property debris produced as a result of the work, in and near the Easement Areas.

d. **Interference with City's Uses.** PG&E shall not interfere with or impede City's access or use of the SFPUC property surrounding the Easement Areas or unreasonably interfere with City's use of the Easement Areas in accordance with Section 6. PG&E shall not do anything in, on, under or around the Easement Areas that could damage, endanger or interfere with any existing SFPUC facilities or SFPUC property.

e. **Heavy Equipment.** When performing work or traversing over any SFPUC water pipelines, PG&E shall abide by SFPUC's equipment and vehicle load restrictions, as described in **Exhibit F**, as such restrictions may be amended from time to time.

f. **Mutual Cooperation.** The Parties shall work with each other to minimize any potential disturbance of the facilities in the Easement Areas and the surrounding areas.

g. **Damage to Property.** PG&E shall promptly repair, at its sole cost, any damage to the Easement Areas or adjacent SFPUC land or any SFPUC improvements, personal property, fixtures or facilities that are damaged by PG&E or its contractors, agents, or employees. If PG&E fails to perform such repairs within a reasonable period of time designated in writing by SFPUC, and thereafter fails to cure such default within ten (10) business days after written notice from SFPUC to PG&E specifying the nature of the repair work (or, if it reasonably would require more than ten (10) business days to remedy such default, if PG&E fails to commence to cure such default within such ten (10) business day period or fails to diligently pursue such cure to completion), then SFPUC may, but shall not be obligated to, perform the repairs in which event PG&E shall reimburse the SFPUC for the cost of repairs plus an additional amount equal to ten percent (10%) thereof for administrative overhead, within 30 days after receipt of invoice. The demand for payment by City shall be prima facie evidence that the expense incurred was necessary and reasonable and that such expense was incurred by City on behalf of PG&E. The foregoing to the contrary notwithstanding, in the event of an emergency as reasonably determined by SFPUC, no such prior notice shall be required before SFPUC may perform such repairs at PG&E's expense.

h. **Restricting Access.** While conducting any construction or maintenance activities pursuant to its rights under this Agreement, PG&E may restrict access to portions of the Easement Areas to protect the health and safety of the public, and SFPUC shall cooperate with such restrictions to the extent they are reasonable in scope and duration.

10. Restoration; Termination. After any entry by PG&E in the Easement Areas, PG&E shall restore any affected portion of the Easement Areas and surrounding area to substantially the same condition and grade it was in immediately prior to such entry (to the extent that such condition complies

with the conditions set forth in this Agreement). If PG&E abandons, or vacates for a period of more than two (2) years without the consent of SFPUC, either the Valve Station Easement Area or the Existing Easement Area, and/or the Valve Station Easement or the Existing Easement, as the case may be, shall terminate; provided, however, if such abandonment or vacation is the result of war, strike, embargo, riot, civil commotion, acts of public enemies, flood, earthquake or other natural disaster, or any other similar cause beyond PG&E's control, and PG&E promptly notifies City after the date that the nonuse of the applicable easement area begins, such involuntary period of nonuse shall be excluded in computing the period set out above. In the event of termination of the Valve Station Easement, at City's direction PG&E shall remove all fixtures and improvements installed or maintained by PG&E within the Valve Station Easement Area, or abandon them in place in accordance with City's specifications, and PG&E shall restore such easement area to the condition prior to its use.

11. Applicable Law; Reasonable Care. PG&E, at its sole expense, shall comply with all applicable laws, statutes, ordinances, rules, regulations, orders and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force ("**Applicable Law**") with respect to PG&E's activities in the Easement Areas. PG&E shall conduct, or shall cause its Agents to conduct, all activities in the Easement Areas in a safe and reasonable manner.

12. Hazardous Materials. PG&E shall not cause, nor shall PG&E allow any of its Agents or Invitees (as such terms are defined below) to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated, released or disposed of in, on, under or about the Easement Areas, or transported to, from or over the Easement Areas, except to the extent reasonably necessary for PG&E's operation of the valve lot infrastructure or its gas transmission pipeline facilities within the Easement Areas, and then only in such quantities as are reasonably necessary for such operations and only if handled, used, transported and disposed of in accordance with applicable Laws (as defined below). PG&E shall immediately notify City when PG&E learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on, under or about any part of the Easement Areas. PG&E shall further comply with all applicable laws, statutes, ordinances, rules, regulations, policies, orders, edicts and the like (collectively, "**Laws**") requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary or desirable to mitigate the release or minimize the spread of contamination. Notwithstanding the provisions in **Sections 9(g)** and **10**, in the event that PG&E or its Agents or Invitees cause a release of Hazardous Material, PG&E shall, without cost to City and in accordance with all Laws, industry best management practices and the Peninsula Watershed Management Plan, promptly return the Easement Areas to the condition immediately prior to the release. In connection therewith, PG&E shall afford City a full opportunity to participate in any discussion or negotiations with governmental agencies and environmental consultants regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material, and any other abatement or clean-up plan, strategy and procedure.

"**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. "Hazardous Material" includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Easement Areas or are naturally occurring substances in the Easement Areas, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting,

emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Easement Areas. PG&E shall have no cleanup liability, nor any obligation to defend, hold harmless or indemnify hereunder from and against any claims resulting from any pre-existing Hazardous Material conditions not caused by PG&E, or its Agents or Invitees, unless PG&E's or its Agents' or Invitees' handling, excavation, relocation, investigation, disposal or other exercise of control over the Property exacerbates such pre-existing Hazardous Material which results in City incurring new or additional costs, liability or other Claims (as defined in **Section 15**), in which event PG&E shall be responsible for cleanup and shall indemnify, defend and hold City and its officers, agents, employees and contractors harmless from such new or additional Claims only to the extent of such new or additional costs, liability and/or other Claims. The term "exacerbates" means an act that causes the increased migration of a plume of Hazardous Material in sediments, groundwater, or surface water or causes a release of Hazardous Material that had been contained until that act.

13. Insurance. PG&E shall procure and keep current at all times, insurance according to the requirements in **Exhibit D**. PG&E assumes the risk of damage to any of its personal property.

14. Notices and Contacts.

a. **Notices.** Except as expressly stated below, all notices, demands, claims, consents or approvals given hereunder ("**notice**") shall be in writing and shall be personally delivered, or sent by a reputable commercial courier service that provides next business day delivery services, provided that next business day service is requested, or by United States first-class mail, postage prepaid, addressed as provided below. Any notice that is addressed in accordance with this Section and transmitted by a method that provides confirmation of delivery or attempted delivery shall be deemed received on the date of the earliest of actual delivery, first attempted delivery, or refusal of delivery.

Any notice to City shall be addressed to City at the then current published mailing address for SFPUC's executive offices, which can be determined by visiting SFPUC's website (currently www.sfwater.org) or by calling SFPUC's main telephone number (currently (415) 554-3155), with a copy to each of the City's Director of Property and the City Attorney (Attn: Real Estate Team) at their then current mailing addresses, which addresses can be determined by visiting the City's website (currently www.sfgov.org), and with a copy to such other address(es) as City may direct in a written notice to PG&E from time to time. City's addresses for notices as of the date of this Agreement are set forth below.

Any notice to PG&E shall be addressed to PG&E at the address(es) set forth below or such other address(es) as PG&E may direct in a written notice to City from time to time.

If to City: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
Attn: Real Estate Director

with a copy to: City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property

And if a legal notice, with a copy to:

Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate/Finance Team

For PG&E: Manager, Land Management
PG&E Land & Environmental Management
P.O. Box 770000, Mail Code N10A
San Francisco, CA 94177

with a copy to: Rich Echols
Manager, Land Acquisition
Pacific Gas and Electric Company
1850 Gateway Boulevard, Room 7042B
Concord, CA 94520

And if a legal notice, with a copy to:

Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Attn: Director and Counsel, Contracts Section (Real Estate)

b. **Emergency Contacts.** Each Party shall designate an emergency contact, to be contacted in the event of an emergency involving actual or imminent damage to property or injury to persons on or about the Easement Areas. As of the date of this Agreement such contacts are:

For the SFPUC:
Millbrae Dispatch by phone at 650.872.5900

For PG&E:
Gas System Operations, System Gas Control at 800.547.5955

c. **Commencement of Work Notices; Description of Work.** PG&E shall notify the SFPUC in advance before performing any work in the Easement Areas. For routine maintenance work that does not involve Surface Disturbance or off-road access, PG&E shall provide such notice, including a reasonable description of the work, at least two (2) business days in advance. For any other construction work or any work involving Surface Disturbance or off-road access, PG&E shall provide an application for project review, on SFPUC's then-current form, at least thirty (30) days in advance and shall include a detailed description of the work to be done and applicable drawings or schematics; provided, however, if in PG&E's reasonable judgment the work will be minor and will not involve material alterations or expansions to PG&E's above-ground facilities ("**Minor Construction**"), PG&E may submit a reasonable description of the planned work and request an expedited initial review. Within five (5) business days of receipt of such request for expedited initial review, SFPUC shall notify PG&E whether SFPUC requires additional information concerning the work, additional time to review the request, and/or review by

SFPUC's full project review process. If SFPUC does not require additional information, additional time, or full project review, SFPUC shall notify PG&E within such five (5) business days whether or not SFPUC approves the work (to the extent such approval is required under **Section 7**) and whether SFPUC requires compliance with reasonable conditions on access as provided in **Section 4**. PG&E's notices to SFPUC under this **Section 14.c** shall be sent to the then-current address of SFPUC's Peninsula Watershed Manager. As of the date of this Agreement, the address is:

Watershed Manager
San Francisco Public Utilities Commission
1657 Rollins Road
Burlingame, CA 94010

d. **Day-to-Day Communications.** Each party may designate a contact for day-to-day communications that are not intended as a notice under this subsection. The parties' initial contacts for day-to-day communications are:

For the SFPUC:

Guido Ciardi
Area Forester,
San Francisco Public Utilities Commission
By phone at 415.518.4290 or by email at gciardi@sfwater.org

For PG&E:

Mitchell Kirk
Superintendent, Gas Maintenance & Construction
By phone at Office (650) 413-4670 and Cell (408) 783-1629
or by email at GMK3@pge.com

15. Indemnity. PG&E shall indemnify, defend, reimburse and hold harmless City, its officers, agents, employees and contractors, and each of them, from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind (collectively, "**Claims**"), arising in any manner out of (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about City's Property, including the Easement Areas, or any part thereof, whether such injury, death, damage or destruction is caused by the person or property of PG&E, its officers, directors, members, employees, agents, consultants, contractors or subcontractors (collectively, "**Agents**"), its invitees, guests or business visitors (collectively, "**Invitees**") relating to any use or activity under this Agreement, (b) any failure by PG&E to faithfully observe or perform any of the terms, covenants or conditions of this Agreement, (c) the use of the Easement Areas or any activities conducted thereon by PG&E, its Agents or Invitees (except to the extent caused by the use or activities conducted thereon by any other third party), (d) any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by PG&E, its Agents or Invitees, on, in, under or about the Easement Areas, any improvements or into the environment, or (e) City's environmental review and approval of this Agreement, except to the extent such Claims result directly from the active negligence or willful misconduct of City or City's authorized representatives. In addition to PG&E's obligation to indemnify City, PG&E specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim that actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to PG&E by City and continues at all times thereafter. The foregoing indemnity shall include, without limitation, reasonable attorneys', experts' and consultants' fees and costs, investigation and remediation costs and all other reasonable costs and expenses, incurred by the indemnified parties, including, without limitation, damages for decrease in the

value of the Easement Areas and claims for damages or decreases in the value of adjoining property. PG&E's obligations under this section shall survive the expiration or other termination of this Agreement.

16. Waiver of Claims.

a. Neither City nor any of its commissions, departments, boards, officers, agents or employees shall be liable for any damage to the property of PG&E, its officers, agents, employees, contractors or subcontractors, or their employees, or for any bodily injury or death to such persons, resulting or arising from the condition of the Valve Station Easement Area or the use of such area by PG&E.

b. PG&E fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action arising in any manner in connection with this Agreement or the uses authorized hereunder, against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any present or future laws, statutes, or regulations, including, without limitation, (i) any and all Claims for consequential, incidental or punitive damages (including without limitation, lost profits), and covenants not to sue for such damages, (ii) any and all Claims for any interference with the uses conducted by PG&E pursuant to this Agreement, regardless of the cause, except for material interference by City with such uses in violation of the terms, covenants or conditions applicable to City under this Agreement, and (iii) any and all Claims in any way connected with the physical or environmental condition of the Easement Areas or any law or regulation applicable thereto or the suitability of the Easement Areas for PG&E's intended use. Nothing herein shall relieve City from liability for actual direct damages or injunctive relief (a) related to City's failure to faithfully observe or perform any of the terms, covenants or conditions of this Agreement applicable to City, or (b) to the extent caused directly by the active negligence or willful misconduct of City or its Agents. PG&E expressly acknowledges and agrees that the compensation paid for the Easement did not take into account any potential liability of City for any consequential or incidental damages including, but not limited to, lost profits arising out of the Easement. City would not be willing to enter into this Agreement in the absence of a waiver of liability for consequential and incidental damages due to the acts or omissions of City or its Agents, and PG&E expressly assumes the risk with respect thereto.

In connection with the foregoing releases, PG&E acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

PG&E acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. PG&E realizes and acknowledges that it has agreed upon this Agreement in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained herein shall survive any termination of the Easements.

17. Taxes.

a. Subject to applicable law, PG&E recognizes and understands that this Agreement may create a possessory interest subject to property taxation and that PG&E may be subject to the payment of property taxes levied on such interest under applicable law. PG&E further recognizes and understands that any transfer or assignment permitted under this Agreement may constitute a change in ownership for

purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder.

b. PG&E agrees to pay taxes, including possessory interest taxes, if any, that may be lawfully assessed on the interest created by this Agreement and to pay any other taxes, excises, licenses, permit charges or assessments based on PG&E's usage of the Easements that may be imposed upon PG&E by applicable law. PG&E shall pay all of such charges when they become due and payable and before delinquency.

c. PG&E agrees not to allow or suffer a lien for any such taxes to be imposed upon the Easement Areas or upon any equipment or property of PG&E located thereon without promptly discharging the same, provided that PG&E, if so desiring, may have the reasonable opportunity to contest the validity of the same.

18. Run with the Land; Exclusive Benefit of Parties. The rights and obligations set forth herein shall run with the land and shall bind and inure to the benefit of the successors and assigns of the Parties. This Agreement is for the exclusive benefit of PG&E and City and their respective successors and assigns and not for the benefit of, nor give rise to any claim or cause of action by, any other party. This Agreement shall not be deemed a dedication of any portion of the Easement Areas to or for the benefit of the general public.

19. Transfer.

a. **Transfers Require Consent.** PG&E shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in PG&E), voluntarily or by operation of law, assign its rights or delegate its duties under this Agreement, or sell, assign, encumber, pledge or otherwise transfer any part of its interest in or rights with respect to the Valve Station Easement Area or the Valve Station Easement, or authorize anyone other than itself to use any portion of the Valve Station Easement Area (each, a "Transfer"), without City's prior written consent in each instance, as provided hereinbelow.

b. **Notice of Proposed Transfer; Processing Fee.** If PG&E desires to enter into a Transfer, it shall give written notice (a "Notice of Proposed Transfer") to City of its intention to do so. The Notice of Proposed Transfer shall identify the proposed transferee and state the terms and conditions of the proposed Transfer. PG&E shall deliver to City with its request for City's consent (i) the proposed Transfer documentation (ii) current financial statements of the proposed Transferee, prepared by an independent certified public accountant, (iii) the sum of \$750.00 for the cost of Landlord's administrative, accounting and clerical time in processing the request, and (iv) promptly upon City's request for same, any additional documents or information reasonably related to the proposed transaction or Transferee. Within thirty (30) days after receipt of all such material, City shall notify PG&E whether it consents to the proposed Transfer.

c. **Effect of Transfer.** No Transfer shall operate to modify or enlarge the rights hereby granted. The term "PG&E" as used herein shall include each and every assignee of PG&E. Any purported assignment of the Valve Station Easement or this Agreement or any interest in the Valve Station Easement Areas or this Agreement, except on the terms and conditions specified in this **Section 19**, shall be void and of no force or effect.

20. Covenant Not to Discriminate. In the performance of its obligations under this Agreement, PG&E covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic

partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with PG&E.

21. Non-Liability of City Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other agent of City shall be personally liable to PG&E, its successors and/or assigns, in the event of any default or breach by City or for any amount which may become due to PG&E, their successors and assigns, or for any obligation of City under this Agreement.

22. General Provisions. (a) This Agreement may be amended or modified only by a writing signed by City and PG&E and recorded in the Official Records of San Mateo County. (b) No waiver by any party of any of the provisions of this Agreement shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) This Agreement contains the entire agreement between the parties with respect to the Valve Station Easement and all prior negotiations, discussions, understandings and agreements concerning such easement are merged herein. (d) This Agreement shall be governed by California law and City's Charter. (e) If either party commences an action against the other or a dispute arises under this Agreement, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. If either party uses in-house counsel in such dispute, then for purposes hereof reasonable attorneys' fees for such counsel shall be based on the fees regularly charged by private attorneys with comparable experience in the city in which such in-house attorney's office is located. (f) This Agreement does not create a partnership or joint venture between City and PG&E as to any activity conducted by PG&E on, in or relating to the Easement Areas. (g) City's obligations hereunder are contingent upon approval of this instrument by City's Public Utilities Commission and the City's Board of Supervisors and Mayor, each in their respective sole discretion, and the Valve Station Easement and this Agreement shall be null and void if such approval is not obtained. (h) Time is of the essence of this Agreement and each party's performance of its obligations hereunder. (i) All representations, warranties, waivers, releases, indemnities and surrender obligations given or made in this Agreement shall survive the termination of this Agreement or the extinguishment of the Easement. (j) If any provision of this Agreement is deemed invalid by a judgment or court order, such invalid provision shall not affect any other provision of this Agreement, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as partially invalidated would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the purpose of this Agreement. (k) All section and subsection titles are included only for convenience of reference and shall be disregarded in the construction and interpretation of the Agreement. (l) PG&E and the person signing this Agreement on behalf of PG&E each represents and warrants to City that the execution and delivery of this Agreement by PG&E and the person signing on behalf of PG&E below has been duly authorized, and City represents and warrants to PG&E that the execution and delivery of this Agreement by City and the person signing on behalf of City below has been duly authorized. (m) The Recitals set forth above and the exhibits attached to and referenced in this Agreement are incorporated into the Agreement. (n) This Agreement may be executed in counterparts, each of which shall be an original but all of which taken together shall comprise one and the same agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: Richard Echols
Richard Echols
Manager, Land Acquisition

Date: 3/19/13

By: _____
Harlan L. Kelly, Jr.
General Manager
San Francisco Public Utilities Commission

Date: _____

APPROVED AS TO FORM

DENNIS J. HERRERA
City Attorney of San Francisco

By: Carolyn J. Stein
Carolyn J. Stein
Deputy City Attorney

San Francisco Public Utilities Commission
Resolution No.: 13-0052

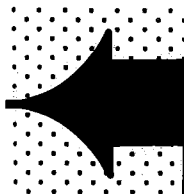
✓

San Francisco Board of Supervisors
Resolution No.: _____

✓

DESCRIPTION CHECKED/APPROVED:

By: _____
R. Edward Peterson
Chief Surveyor
San Francisco Public Utilities Commission



ACKNOWLEDGMENT

State of California

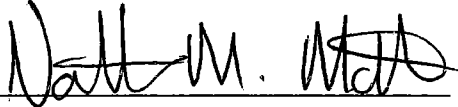
County of Contra Costa)

On March 19, 2013 before me, Nathan M. Mott, Notary Public
(insert name and title of the officer)

personally appeared Richard Guy Echols,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



State of California)
)
County of San Francisco)



On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A – Legal Description

Edgewood Valve Lot

LD 2305-04-2161

2012177 (22-11-212) 9 12 3

Valve Automation 2012 – Edgewood Valve Lot

EXHIBIT "A"

(APN 093-102-110(portion))

The parcel of land situate in the unincorporated area of the County of San Mateo, State of California, described as follows:

Commencing at the found ¾-inch iron pipe set in monument casting shown upon the Record of Survey filed for record June 23, 1970 in Book 7 of L.L.S. Maps at page 22, San Mateo County Records, as marking the northwesterly terminus of a course shown upon said Record of Survey, which course, located in the monument line of Cañada Road, has a bearing of N 33°50'09" W and a distance of 830.01 feet, and running

(a) north 35°26'22" east 1869.41 feet

to the TRUE POINT OF BEGINNING of this description; thence

(1) north 24°31'15" west 33.79 feet; thence

(2) north 75°59'34" west 23.01 feet; thence

(3) north 24°31'54" west 14.78 feet; thence

(4) north 20°28'06" east 65.14 feet, thence

(5) south 69°31'54" east 80.39 feet; thence

(6) south 24°31'12" east 52.12 feet; thence

(7) south 65°28'06" west 84.90 feet, more or less,

to the True Point of Beginning; being a portion of the parcel of land designated "Parcel 31-A: Watershed Land at South end of Crystal Springs Reservoir" in the deed from Spring Valley Water Company to City and County of San Francisco dated March 3, 1930 and recorded in Book 491 of Official Records at page 1, San Mateo County Records.

The foregoing description is based on a survey made by Pacific Gas and Electric Company in December 2011. The bearings used are based on a course shown upon said Record of Survey filed for record June 23, 1970 in Book 7 of L.L.S. Maps at page 22, San Mateo County Records, which has a bearing of N 33°50'09" W and a distance of 830.01 feet. The termini of said course are marked by the found ¾-inch iron pipes set in monument castings as shown upon said Record of Survey.

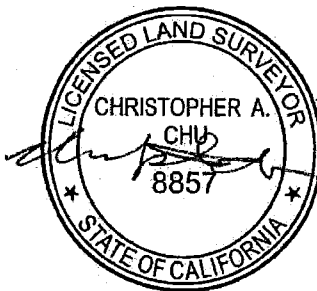


EXHIBIT B – Surveyed Drawing

Edgewood Valve Lot

T.5S. R.4W. M.D.M.
SE1/4 of NE1/4 Sec.28



Course Table		
	Bearing	Distance
1	N 24°31'15" W	33.79'
2	N 75°59'34" W	23.01'
3	N 24°31'54" W	14.78'
4	N 20°28'06" E	65.14'
5	S 69°31'54" E	80.39'
6	S 24°31'12" E	52.12'
7	S 65°28'06" W	84.90'

300
200
100
0

Found 3/4" Iron Pipe
in Monument Well

Canada Road
Basis of Bearings
N 33°50'09" W 830.01'
L.L.S. Maps 22

Tie: N 35°26'22" E 1869.41'

**City and County
of San Francisco**
APN 093-102-110
491 O.R. 1 Parcel 31-A

Found 3/4" Iron Pipe
in Monument Well

Exhibit "B"
Gas Valve Lot Easement
Edgewood

PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



JCN	22-11-212		
AREA	South Coast		
COUNTY	San Mateo		
SCALE	1"=100'		
SHEET NO.	1	OF	1
DRAWING NUMBER	L-9263		
CHANGE	1		

EXHIBIT C – [Intentionally Omitted]

EXHIBIT D – Insurance Requirements

PG&E shall procure and keep in effect at all times during the term of the Easement, at PG&E's expense, and cause its contractors and subcontractors to maintain at all times during any construction activities on the Easement Areas, insurance as follows:

a. **Required insurance.** (i) Commercial General Liability Insurance with limits not less than \$5,000,000 each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, personal injury, independent contractors, explosion, collapse and underground (XCU), Broadform Property Damage, Sudden and Accidental Pollution, Products Liability and Completed Operations; (ii) Business Automobile Liability Insurance with limits not less than \$2,000,000 each occurrence combined single limit for bodily injury and property damage, including coverages for owned, non-owned and hired automobiles, as applicable, if PG&E uses or causes to be used any vehicles in connection with its use of the Easement Areas, and (iii) Statutory Workers' Compensation Insurance, including employer's liability coverage with limits of not less than \$1,000,000 each accident.

PG&E shall maintain pollution legal liability, environmental remediation liability and other environmental insurance, including coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death; Environmental Damages; property damage including but not limited to physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; defense costs, charges and expenses incurred in the investigation, adjustment of defense claims for such compensatory damages; sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of Hazardous Materials into or upon the City's property, the atmosphere or watercourse or body of water, which results in Environmental Damages; transportation coverage for the hauling of any Hazardous Materials by PG&E or PG&E's Contractors or Agents, from the Easement Areas to the final disposal location; and first party environmental remediation that pays for the cost of cleanup and remediation of the Easement Areas required to comply with all Applicable Laws. Such insurance shall be endorsed to provide third party disposal site coverage that covers third party bodily injury, property damage and cleanup coverage for pollution conditions emanating from a disposal site or landfill used by the PG&E or PG&E's Agents. PG&E shall maintain limits no less than: Four Million Dollars (\$4,000,000) per accident and Eight Million Dollars (\$8,000,000) annual aggregate for bodily injury and property damage. The SFPUC, its Agents and Employees shall be included as additional insureds on the policy as loss payees under the Pollution Legal Liability/Environmental Remediation/Cleanup Liability Insurance Policy.

All of the insurance required shall be issued by one or more companies of recognized responsibility authorized to do business in the State of California with financial rating of at least a Class A-, VIII (or its equivalent successor) status, as rated in the most recent edition of A.M. Best's "Best's Insurance Reports."

b. **Self Insurance.** PG&E shall have the right to self-insure with respect to any of the insurance requirements required under this Agreement, to the extent permitted by applicable law. In the event that PG&E elects to self-insure with respect to any of the insurance requirements required under this Agreement, on or before the Commencement Date and upon written request by SFPUC, within thirty (30) days of the commencement of each year thereafter, PG&E shall submit to SFPUC a certificate of self-insurance signed by a duly authorized representative of PG&E, such certificate evidencing that PG&E's self-insurance program is adequately funded, in full force and effect and in compliance with and subject to all the terms, agreements, covenants, conditions and provisions of this Agreement. If PG&E elects to self-insure, PG&E shall give City prompt written notice of any significant change in or the

depletion of its self-insurance fund. Notwithstanding the foregoing, PG&E is also responsible for causing any contractors, subcontractors and/or agents to maintain commercially reasonable insurance coverages and coverage limits as required under this Agreement.

With respect to any claim, loss or liability that would have been covered by the insurance policies (including but not limited to the SFPUC, City and County of San Francisco, its Agents and Employees' status as an "additional insured" thereunder) required by this Agreement to be maintained by PG&E but within the self-insured retention or deductible amount, PG&E shall cover such claim, loss or liability on the same basis as the insurance arrangements or deductibles on such insurance policies, including but not limited to such insurance carrier responsibility to protect the SFPUC, the City and County of San Francisco, its Agents and Employees as an "additional insured."

c. **Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared. All deductibles and self-insured retentions shall be paid by PG&E.

d. **Additional insured parties.** All policies required hereunder shall provide for the following: (i) name as additional insureds the City and County of San Francisco, its Public Utilities Commission and its officers, agents and employees; (ii) specify that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Agreement and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limit of liability, and (iii) include a waiver of subrogation endorsement or provision wherein the insurer acknowledges acceptance of PG&E's waiver of claims against City. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Sudden and accidental pollution coverage in the liability policies required hereunder shall be limited to losses resulting from the activities of PG&E and/or PG&E's Agents and/or Invitees) under this Agreement (excluding nonnegligent aggravation of existing conditions with respect to Hazardous Materials).

e. **Endorsement.** All policies shall be endorsed to provide thirty (30) days prior written notice to City of cancellation or intended non-renewal.

f. **Delivery.** Prior to the Effective Date of this Agreement, PG&E shall deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverages required hereunder, together with complete copies of the policies at City's request. In the event PG&E shall fail to procure such insurance, or to deliver such policies or certificates, City may procure, at its option, the same for the account of PG&E, and the cost thereof shall be paid to City within five (5) days after delivery to PG&E of bills therefor.

g. **General aggregate limits.** Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

h. **Continuation of coverage.** Should any of the required insurance be provided under a claims made form, PG&E shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the Agreement expiration or termination, to the effect that should any occurrences during the Agreement term give rise to claims made after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

i. **Insurance review.** Upon City's request, PG&E and City shall periodically review the limits and types of insurance carried pursuant to this exhibit. If the general commercial practice in the County of San Mateo is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by PG&E for risks comparable to those associated with the Easement Areas, then City in its sole discretion may require PG&E to increase the amounts or coverage carried by PG&E hereunder to conform to such general commercial practice.

j. **No release of indemnity.** PG&E's compliance with the provisions of this exhibit shall in no way relieve or decrease PG&E's indemnification obligations under this Agreement or any of PG&E's other obligations hereunder. Notwithstanding anything to the contrary in this Agreement, the Agreement shall terminate immediately, without notice to PG&E, upon the lapse of any required insurance coverage. PG&E shall be responsible, at its expense, for separately insuring PG&E's personal property.

EXHIBIT E – Description and Drawings of PG&E’s Improvements

The drawings and photographs incorporated by reference into Exhibit E are:

- (1) An overhead layout of the Edgewood Valve Lot superimposed on satellite imagery, made by PG&E and titled “PG&E Valve Automation Project, Pipeline Safety Enhancement Plan – 2012 Program, San Mateo County - Redwood City, Valve Locations – Edgewood Site,” dated February 6, 2013;
- (2) An elevation drawing of the Edgewood Valve Lot, titled in the bottom right of the page, “Edgewood Road Station, Redwood City, Elevations Looking North / East (Permanent)” and dated March 15, 2013;
- (3) An overhead view, three-dimensional rendering , titled in the bottom right, “Edgewood Road Station, Redwood City, Plan (Permanent), dated March 15, 2013;
- (3) A photograph titled “PG&E Sample Thermal Electric Generator (TEG) Installation”, dated March 18, 2013, on file with the SFPUC; and
- (4) A photograph titled “PG&E Sample Automated Gas Valve”, dated March 18, 2013, on file with the SFPUC.

EXHIBIT F – SFPUC Heavy Equipment Restrictions

To prevent damage to City's underground pipelines, PG&E's use of vehicles and equipment within twenty feet (20') of each side of the centerline of City's subsurface pipelines (measured on the surface) shall be subject to the following restrictions:

(1) The depth of soil cover over the tops of City's pipelines must be at least three feet (3') for steel cylinder pipe and four feet (4') for reinforced pre-stressed concrete cylinder pipe to accommodate the loading as defined below in subsection (2). If any equipment with axle loading exceeds the loads stated in subsection (2) below or if the depth of soil cover is less than stated above, PG&E shall submit to SFPUC for review and approval, in SFPUC's sole discretion, engineering calculations prepared by a licensed Professional Engineer showing that City's pipelines will not be adversely affected by PG&E's proposed activities. In the event that City's pipelines may be adversely affected, PG&E shall submit preventive measures for City's approval to ensure that no adverse effect will occur.

(2) The effects of vehicle and equipment loads to the pipe must not exceed the effects of the "AASHTO Standard H-10 Loading." H-10 loading is defined as loading caused by a two-axle truck with a gross weight of ten tons (20,000 lbs.), axles fourteen feet (14') apart, and rear axle carrying eight tons (16,000 lbs.). PG&E shall be responsible to provide SFPUC with adequate evidence that its equipment and vehicles meet the foregoing requirements.

(3) PG&E shall not use vibrating compaction equipment over or within twenty feet (20') of each side of the centerline of City's subsurface pipelines (measured on the surface) without SFPUC's prior written approval, which approval may be withheld in SFPUC's sole discretion.

(4) If the depth of the soil cover over a SFPUC pipeline (determined by potholing or other proof procedure) is less than the minimum stated in subsection (1) above, unless an alternate method is approved by SFPUC in writing, all excavation and grading over the pipeline shall be performed manually. For any machinery equipment excavation or grading over and within twenty feet (20') of each side of the centerline of the pipeline (measured on the surface), PG&E shall submit a written proposal together with all supporting calculations and data to SFPUC for review and approval. In any case, the two feet (2') of soil around the pipeline shall be removed manually or by other methods approved by SFPUC, with due care.

[Attach a copy of the San Francisco Board of Supervisors Resolution]

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 13-0052

WHEREAS, The City and County of San Francisco (City), through the San Francisco Public Utilities Commission (SFPUC), owns certain real property in unincorporated San Mateo County known as SFPUC Parcel 31-A) (Assessor's Parcel No. 093 102 110) within the Crystal Springs Watershed; and

WHEREAS, Pursuant to the Final Order of Condemnation, recorded July 18, 1978 in Book 7763 of the Official San Mateo County Records at page 57, Pacific Gas and Electric Company (PG&E) obtained an existing easement (Existing Easement) across a portion of SFPUC's Parcel 31-A; and

WHEREAS, PG&E now desires to acquire an additional easement over an area consisting approximately 7,799 square feet (Easement Area) overlapping with and adjacent to its Existing Easement, to expand its valve lot and install new gas transmission safety upgrades; and

WHEREAS, Pursuant to Charter Section 8B.121(a) the SFPUC has exclusive charge of the real property assets under its jurisdiction; and

WHEREAS, The SFPUC does not currently maintain any facilities on or adjacent to the Easement Area and does not anticipate requiring the use of the Easement Area for any SFPUC utility facilities in the future; and

WHEREAS, The SFPUC is willing to sell PG&E a non-exclusive easement on the Easement Area for valve lot purposes (Easement), reserving to SFPUC the right to use the Easement Area for uses that are compatible with PG&E's valve station and pipelines; and

WHEREAS, Offering the Easement by competitive bidding process or auction would be impractical because the Easement is located on top of and immediately adjacent to PG&E's existing easement containing a subsurface gas transmission pipelines and surface valve lot equipment; and

WHEREAS, Associated Right of Way Services, Inc., a MAI-certified appraiser, recently valued the proposed Easement at \$2,200; and

WHEREAS, SFPUC staff and the City's Department of Real Estate agreed with the appraiser's statement of value for the Easement; and

WHEREAS, SFPUC staff and PG&E have negotiated proposed terms and conditions of the Easement, set forth in the form of Easement Agreement which is part of the record before this Commission (Easement Agreement), including a purchase price of \$2,200; and

WHEREAS, On August 30, 2012, the City Planning Department issued a Certificate of Determination (COD) under the California Environmental Quality Act (CEQA) and determined that this transfer of property to PG&E falls under a Class 1 Categorical Exemption (CEQA Guidelines Section 15301) for minor alterations of existing facilities to provide natural gas service involving negligible expansion of use, and would not have a significant effect on the environment; and

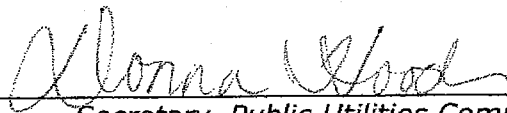
WHEREAS, On January 7, 2013, the SFPUC's Bureau of Environmental Management (BEM) concurred with the City Planning Department's COD under CEQA by memorandum; now, therefore, be it

RESOLVED, That this Commission finds that the Easement area is surplus to the needs of the SFPUC's utilities, and that the public interest or necessity will not be inconvenienced by the conveyance of the Easement to PG&E; and be it

FURTHER RESOLVED, That this Commission recommends to the City's Board of Supervisors to approve the sale of this Easement to PG&E for the appraised value of \$2,200; and be it

FURTHER RESOLVED, That this Commission approves the terms and conditions of the Easement Agreement for the Edgewood valve lot Easement and authorizes the General Manager of the SFPUC and/or the Director of Property, following Board of Supervisors approval of conveyance of the Easement, to execute the Easement Agreement and enter into any amendments or modifications to the Easement Agreement; including without limitation, modification, addition, or deletion of exhibits, and to enter into any related documents, instruments, memorandum, or other agreements reasonably necessary to consummate the transaction contemplated in the Easement Agreement, that the General Manager determines, in consultation with the City Attorney, are in the best interests of the City; do not materially increase the liabilities or obligations of the City or materially diminish the benefits to the City; are necessary or advisable to effectuate the purposes and intent of the Easement Agreement or this Resolution; and comply with all applicable laws, including the City Charter.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of April 9, 2013.

A handwritten signature in cursive script, appearing to read "Glenna Wood", is written over a horizontal line.

Secretary, Public Utilities Commission



San Francisco Water Power Sewer

Operator of the Hetch Hetchy Regional Water System

525 Golden Gate Avenue, 6th Floor
San Francisco, CA 94102
T 415.934-5700
F 415.934-3750

INTER-OFFICE MEMORANDUM

DATE: January 7, 2013

TO: Rosanna Russell
Director, Real Estate Services

FROM: *for* Irina Torrey
Manager, Bureau of Environmental Management

Barry Pearl

SUBJECT: CEQA compliance for SFPUC's Real Estate Division issuance of an expanded easement for PG&E's Edgewood Valve Lot

The Pacific Gas and Electric Company (PG&E) proposes to upgrade existing equipment at the Edgewood Valve Station to improve the operational safety of PG&E's natural gas transmission system as required by the California Public Utilities Commission. The project site is located on San Francisco Public Utilities (SFPUC) Peninsula Watershed lands near Highway 280 and Edgewood Road in San Mateo County. The project would provide remote monitoring and control, automatic valve shutdown and inline inspection capabilities and other safety enhancements. As part of this project, PG&E is requesting SFPUC approval to expand the PG&E easement at the Edgewood Valve Station by approximately 3,000 square feet. SFPUC's Real Estate Division is now considering PG&E's application for the easement expansion (the proposed Project).

Both the safety improvements and the expansion of the easement were subject to California Environmental Quality Act (CEQA) assessment by the San Francisco Planning Department, Environmental Planning Division, under Planning Department Case Number 2012.0939E. The Planning Department determined that the proposed safety enhancement, including expansion of the SFPUC easement, qualified for a Class 1 categorical exemption from CEQA under CEQA Guidelines Section 15301. Class 1 provides for an exemption from environmental review for operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. CEQA Guidelines Section 15301(b) specifically applies to existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage or other public utility services. The proposed project would involve minor alteration of existing mechanical equipment and facilities used to provide natural gas utility service involving negligible expansion of use, and is therefore within the range of activities properly exempted pursuant to Class 1.

Edwin M. Lee
Mayor

Art Torres
President

Vince Courtney
Vice President

Ann Moller Caen
Commissioner

Francesca Viator
Commissioner

Anson Moran
Commissioner

Harlan L. Kelly, Jr.
General Manager



CEQA Guidelines Section 15300.2 lists exceptions to the use of categorical exemptions. The exceptions include that an exemption shall not be used where the project would result in a significant cumulative impact (Section 15300.2(b)), where there is a reasonable possibility that the activity would have a significant effect on the environment due to unusual circumstances (Section 15300.2(c)), for a project that may result in damage to scenic resources within a state designated scenic highway (Section 15300.2(d)), or where the project would cause a substantial adverse change in the significance of a historical resource (Section 15300.2(f)). San Francisco Environmental Planning Division determined that there are no conditions associated with the proposed project that would suggest the possibility of a significant environmental effect, and formalized this determination in a Certificate of Determination (attached) on August 30, 2012.

Subsequent to this time, there have been no significant changes in the easement proposal or other changes in circumstances that would result in new or more significant environmental effects from the proposed issuance of the easement. Therefore, categorical exemption issued on August 30, 2012 by the City of San Francisco provides CEQA compliance for SFPUC's proposed Real Estate transaction, and CEQA compliance can be considered complete.

Attachment: Certificate of Determination

cc: Kendrick Li, RES
Josh Keene, RES
Sally Morgan, BEM



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: May 7, 2013
Case No. Case No. 2013.0439R
**PG&E Edgewood Valve Station, Additional Permanent Easement,
Unincorporated San Mateo County**

Block/Lot No.: San Mateo County APN # 093-102-110,
Parcel ID Number 452577818

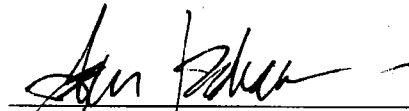
Project Sponsor: Kristina Zaccardelli
PG&E
6121 Bollinger Canyon Road
San Ramon, CA 94583

Applicant: Same as Above

Staff Contact: Amnon Ben-Pazi – (415) 575-9077
amnon.ben-pazi@sfgov.org

Recommendation: Find the project, on balance, in conformity with
the General Plan

*Recommended
By:*


John Rahaim, Director of Planning

PROJECT DESCRIPTION

The existing Edgewood Valve Station consists of natural gas valves and related equipment, within a fenced 2,500 square-foot gravel-covered enclosure. The site is located on San Francisco Public Utilities (SFPUC) Peninsula Watershed lands near Highway 280 and Edgewood Road in San Mateo County.

The California Public Utilities Commission has required PG&E to improve the safety of its natural gas transmission system. As part of its Pipeline Safety Enhancement Plan, PG&E proposes to enlarge the Edgewood Valve Station to provide for new and upgraded equipment, and is requesting SFPUC approval to expand its existing utility easement on SFPUC land by approximately 3,000 square feet.

**GENERAL PLAN REFERRAL
PG&E EDGEWOOD VALVE STATION
ADDITIONAL PERMANENT EASEMENT**

CASE NO. 2013.0439R

SITE DESCRIPTION AND PRESENT USE

The site is located on SFPUC Peninsula Watershed lands in unincorporated San Mateo County, near Highway 280 and Edgewood Road, a portion of San Mateo County APN # 093-102-110, Parcel ID Number 452577818. The 2,500 square-foot Valve Station contains valves and related equipment that are part of the PG&E natural gas transmission system. The facility is enclosed by a security fence and paved with gravel.

ENVIRONMENTAL REVIEW

The Project was determined to be exempt from environmental review, Categorical Exemption, Class 1 (CEQA Guidelines Section 15301), in Case No. 2012.939E, *Edgewood Station Valve Automation*. The project would consist of minor alterations to and negligible expansion of existing facilities.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

This project proposes granting easement to PG&E on a portion of San Mateo County APN # 093-102-110, Parcel ID Number 452577818. If approved, PG&E would be able to expand and upgrade its existing Edgewood Valve Station in order to enhance safety of its natural gas transmission system, as required by the California Public Utilities Commission. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 as described in the body of this letter and is, on balance, **in-conformity** with the following Objectives and Policies of the General Plan:

COMMUNITY SAFETY ELEMENT

OBJECTIVE 1

REDUCE STRUCTURAL AND NONSTRUCTURAL HAZARDS TO LIFE SAFETY AND MINIMIZE PROPERTY DAMAGE RESULTING FROM FUTURE DISASTERS.

POLICY 1.22

REDUCE HAZARDS FROM GAS FIRED APPLIANCES AND GAS LINES.

Comment: The project is part of PG&Es Pipeline Safety Enhancement Plan, which aims to improve safety of the natural gas distribution system as required by the California Public Utilities Commission. The expansion of the Edgewood Valve Station will allow installation of new and upgraded equipment at the existing facility.

Eight Priority Policies Findings

The Project is located outside of the City and County of San Francisco. Of the eight Priority Policies set forth in Section 101.1 of the City Planning Code, only the sixth policy, which requires earthquake preparedness, is relevant to the proposed project. One of the primary goals of the proposed project is to reduce the vulnerability of BDPL Nos. 3 and 4 to earthquake damage and increase the seismic and delivery reliability of the regional water system. This would be achieved by making improvements

GENERAL PLAN REFERRAL
PG&E EDGEWOOD VALVE STATION
ADDITIONAL PERMANENT EASEMENT

CASE NO. 2013.0439R

that meet current seismic standards and by establishing and implementing a defined level of service response after a major earthquake. Overall, the proposed project is consistent with Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.
The site is located on SFPUC Peninsula Watershed land in unincorporated San Mateo County. The Project would have no adverse effect on neighborhood serving retail uses or opportunities for employment in or ownership of such businesses.
2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.
The site is located on SFPUC Peninsula Watershed land in unincorporated San Mateo County. The Project would have no adverse effect on the City's housing stock or on neighborhood character.
3. That the City's supply of affordable housing be preserved and enhanced.
The site is located on SFPUC Peninsula Watershed land in unincorporated San Mateo County. The Project would have no adverse effect on the City's supply of affordable housing.
4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.
The site is located on SFPUC Peninsula Watershed land in unincorporated San Mateo County. The Project would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.
5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.
The site is located on SFPUC Peninsula Watershed land in unincorporated San Mateo County. The Project would not affect the city's economic base.
6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.
The project is part of PG&Es Pipeline Safety Enhancement Plan, which aims to improve safety of the natural gas distribution system as required by the California Public Utilities Commission.
7. That landmarks and historic buildings be preserved.
The site is located on SFPUC Peninsula Watershed land in unincorporated San Mateo County. This site contains no landmarks or resources of historic significance.
8. That our parks and open space and their access to sunlight and vistas be protected from development.

**GENERAL PLAN REFERRAL
PG&E EDGEWOOD VALVE STATION
ADDITIONAL PERMANENT EASEMENT**

CASE NO. 2013.0439R

The site is located on SFPUC Peninsula Watershed land in unincorporated San Mateo County. The Project would have no adverse effect on parks and open space or their access to sunlight and vista.

RECOMMENDATION:	Find the Project, on balance, in-conformity with the General Plan
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I:\Citywide\General Plan\General Plan Referrals\2013\2013.0439R PG&E Edgewood Valve Lot Additional Permanent Easement.doc



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination Exemption from Environmental Review

Case No.: 2012.0939E
Project Title: Edgewood Station Valve Automation
Project Sponsor: Kristina Zaccardelli, Pacific Gas and Electric Company
(925) 459-3614
Staff Contact: Chris Kern, Environmental Planning
(415) 575-9037
chris.kern@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION:

The Pacific Gas and Electric Company (PG&E) proposes to upgrade existing equipment at the Edgewood Valve Station to improve the operational safety of PG&E's natural gas transmission system as required by the California Public Utilities Commission. The project site is located on San Francisco Public Utilities (SFPUC) Peninsula Watershed lands near Highway 280 and Edgewood Road in San Mateo County. The project would provide remote monitoring and control, automatic valve shutdown and inline inspection capabilities and other safety enhancements as further described below.

EXEMPT STATUS:

Categorical Exemption, Class 1 (California Environmental Quality Act (CEQA) Guidelines Section 15301)

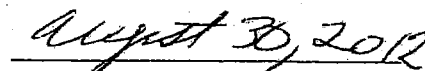
REMARKS:

The proposed project would consist of minor alteration of existing facilities used to provide natural gas service involving negligible expansion of use and would not have a significant effect on the environment. See next page.

DETERMINATION:

I do hereby certify that the above determination has been made pursuant to State and local requirements.


Bill Wycko
Environmental Review Officer


Date

cc: Robert Stiving, PG&E
Tim Ramirez, SFPUC Natural Resources Division
Irina Torrey, SFPUC BEM

Virna Byrd, M.D.F.

PROJECT DESCRIPTION (continued):

The California Public Utilities Commission has required PG&E to automate certain valves to improve the safety of its natural gas transmission system. Accordingly, the proposed project would involve replacement of existing valves, installation of new SCADA (supervisory control and data acquisition) equipment, pressure transmitters, over-pressure protection, in-line inspection facilities, and fencing. A small thermal electric generator would be installed at the valve station to provide power to the automatic shutdown and monitoring equipment.

The existing Edgewood Valve Station is located within a 2,500 square-foot gravel-covered pad surrounded by an eight-foot high security fence and consists of existing above-ground valve facilities (see attached photographs). The valve station contains no vegetation or native habitat. The site is subject to regular disturbance for fire suppression and maintenance activities. While most of the proposed work would occur within the existing gravel-covered valve station, PG&E proposes to enlarge the valve station by approximately 2,000 square feet to provide for new in-line pipeline inspection capability and is requesting SFPUC approval to expand its utility easement by approximately 3,000 square feet as part of the project. Approximately 1,000 cubic yards of material would be excavated for three retaining walls. Construction equipment and materials would be staged in an approximately 58,300-square-foot previously disturbed area directly adjacent to Highway 280. Access to the project site would be either from Canada Road via an existing 4,400-foot long dirt road (Option A) or from the proposed staging area via an approximately 425-foot long new temporary access route (Option B).

Temporary construction activities would involve minor grading, excavation and backfilling for installation of new valves, welding, installation of fencing, and site restoration. Construction equipment would include two track hoes, one front end loader and one dump truck. Project construction is anticipated to take approximately three months.

REMARKS (continued):**Exempt Status**

CEQA Guidelines Section 15301, or Class 1, provides for an exemption from environmental review for operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. CEQA Guidelines Section 15301(b) specifically applies to existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage or other public utility services. The proposed project would involve minor alteration of existing mechanical equipment and facilities used to provide natural gas utility service involving negligible expansion of use, and is therefore within the range of activities properly exempted pursuant to Class 1.

CEQA Guidelines Section 15300.2 lists exceptions to the use of categorical exemptions. The exceptions include that an exemption shall not be used where the project would result in a significant cumulative impact (Section 15300.2(b)), where there is a reasonable possibility that the activity would have a significant effect on the environment due to unusual circumstances (Section 15300.2(c)), for a project that may result in damage to scenic resources within a state designated scenic highway (Section 15300.2(d)), or

where the project would cause a substantial adverse change in the significance of a historical resource (Section 15300.2(f)). As described below, there are no conditions associated with the proposed project that would suggest the possibility of a significant environmental effect.

Biological Resources

The SFPUC Peninsula Watershed lands contain significant biological resources, including special-status wildlife and plant species and sensitive habitats. According to biological resources and rare plant surveys conducted for the project, the project site, including the valve lot, staging area, and both access road options, does not support special-status species and does not contain riparian habitat, wetlands or other sensitive natural communities.¹² The majority of the project would occur within previously disturbed areas. The proposed permanent removal of up to 0.25 square feet of northern coyote brush scrub and annual grassland to expand the valve lot and the temporary disturbance of 0.15 square feet of annual grassland for a construction access road (Option B) would have a negligible effect on these common vegetation communities and would not result in a substantial adverse effect on any special-status species or sensitive habitat. Therefore, the project as proposed would not have a significant effect on biological resources due to unusual circumstances.

For the reasons stated above, the project as sited and designed would not have a significant effect on biological resources. Furthermore, PG&E proposes to implement various avoidance and minimization measures designed to minimize site disturbance during project construction, to prevent construction vehicles and equipment from inadvertently operating outside of the construction and staging areas, and to provide for restoration of areas temporarily disturbed during construction.

The SFPUC has indicated that in accordance with its standard conditions of approval for PG&E's Watershed Access Permit, the project must be undertaken in strict conformity with the project description contained in PG&E's permit application. The SFPUC will monitor project construction to ensure compliance with the approved permit, including implementation of the proposed avoidance and minimization measures.

Scenic Resources

Highway 280 in the project vicinity is a state designated scenic highway. The Edgewood Valve Lot is located approximately 300 feet west of Highway 280, and the proposed construction staging area is directly adjacent to the highway. The proposed enlargement of the valve lot would result in a negligible change in the appearance of this existing facility. Following completion of construction, temporarily disturbed areas would be restored and revegetated. Neither the minor modifications to the existing valve

¹ California Department of Fish and Game, California Natural Diversity Database for 7.5-minute topographic quadrangle of *Montara Mountain*, and *Woodside*, queried August 2012. The results of this records search are available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA as part of Case File No. 2012.0939E.

² Vegetation Mapping, prepared by GANDA, December 2011. This document is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA as part of Case File No. 2012.0939E.

lot nor the temporary construction activities proposed by PG&E would result in damage to a scenic resource.

Cultural Resources

The proposed excavation and ground disturbance would occur in previously disturbed areas. The project site does not contain any structures that are listed or that are potentially eligible for listing in the California Register of Historical Resources or on any local register of historical resources, and has a low sensitivity for the presence of buried cultural resources and surface deposits of archaeological artifacts.³ Therefore, the proposed project is not anticipated to cause a substantial adverse change in the significance of a cultural resource.

Cumulative Impacts

CEQA State Guidelines Section 15300.2(b) provides that a categorical exemption shall not apply if significant impacts would result over time from successive projects of the same type in the same place. The proposed project involves the minor alteration of existing facilities and mechanical equipment to improve the operational safety of PG&E's natural gas transmission system. PG&E is proposing to undertake similar projects at two other valve lots and to replace certain sections of its natural gas pipeline system at various locations within the SFPUC Peninsula Watershed. By their minimal nature and widely dispersed locations that would not create significant environmental impacts on biologic, visual, historic, or archeological resources, the impacts of PG&E's natural gas transmission system safety upgrades would not result in significant cumulative impacts on the environment.

Conclusion

As noted above, the project as proposed would not have a significant effect on the environment due to unusual circumstances, would not result in damage to a scenic resource, would not cause a substantial adverse change in the significance of a historical resource, and would not contribute to cumulative impacts on the environment. Therefore, the proposed natural gas transmission system safety upgrades are categorically exempt from CEQA under Class 1.

³ Buried Site Sensitivity Study and Historical Resource Records Search for PG&E Line 109 Pipeline Replacement Project, prepared by Far Western Anthropological Research Group, December 15, 2011. Cultural Review for L-109, MP 24.59, L-132, MP 25.60, L-147, MP 0.0, Edgewood Station, Redwood City CA, prepared by PG&E Cultural Resource Specialist, February 28, 2012. These documents are available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA as part of Case File No. 2012.0939E.

LEGISLATION RECEIVED CHECKLIST

Date _____ File Number (if applicable) _____

- | | |
|---|--------------------------------|
| ☐ Legislation for Introduction (NEW) | ▶▶▶ Legislation Clerk |
| ☐ Legislation Pending in Committee (AMENDED) | ▶▶▶ Committee Clerk |
| ☐ Legislation for Board Agenda (AMENDED) | ▶▶▶ Dep Clerk, Legislative Div |

Supervisor, Mayor, and Departmental Submittals

Grant Ordinance

- ☐ **Legislation:** Original and 4 copies
- ☐ **Signature:** Department Head, the Mayor or the Mayor's designee, plus the Controller
- ☐ **Back-up materials:** 4 full sets (if applicable)
- ☐ **E-Version:** Sent to BOS Legislation@sfgov.org
 - ☐ Cover letter
 - ☐ Grant Information Form
 - ☐ Disability Access Checklist
 - ☐ Letter of Intent or grant award letter from funding agency
 - ☐ Ethics Form 126 (determined by the Committee Clerk)

Ordinance

- ☐ **Legislation:** Original and 4 copies
- ☐ **Signature:** City Attorney
- ☐ **Back-up materials:** 4 full sets (if applicable)
- ☐ **E-Version:** Sent to BOS Legislation@sfgov.org
 - ☐ Cover letter
 - ☐ Back up materials (determined by the Committee Clerk)

Grant Resolution

- ☒ **Legislation:** Original and 4 copies
- ☐ **Signature:** Department Head, the Mayor or the Mayor's designee, plus the Controller
- ☐ **Back-up materials:** 4 full sets (if applicable)
- ☐ **E-Version:** Sent to BOS Legislation@sfgov.org
 - ☐ Cover letter
 - ☐ Grant Information Form
 - ☐ Disability Access Checklist
 - ☐ Letter of Intent or grant award letter from funding agency
 - ☐ Ethics Form 126 (determined by the Committee Clerk)

Resolution

- ☒ **Legislation:** Original and 4 copies
- ☐ **Signature:** None required
- ☒ **Back-up materials:** 4 full sets (if applicable)
- ☐ **E-Version:** Sent to BOS Legislation@sfgov.org
 - ☒ Cover letter
 - ☐ Back up materials (determined by the Committee Clerk)

Name _____

Department _____

Telephone Number _____

AandB
130859

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Pacific Gas & Electric Company	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Linda Y. H. Cheng - see attachments	
Contractor address: 77 Beale Street, 32 nd Floor, San Francisco, CA 94105	
Date that contract was approved:	Amount of contract: \$2,200
Describe the nature of the contract that was approved: Sale of Easement Agreement	
Comments:	

This contract was approved by (check applicable):

☐ the City elective officer(s) identified on this form

☒ a board on which the City elective officer(s) serves: San Francisco Board of Supervisors

Print Name of Board

☐ the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed



Secretary of State

Administration

Elections

Business Programs

Political Reform

Archives

Registries

Business Entities (BE)

Online Services

- E-File Statements of Information for Corporations
- Business Search
- Processing Times
- Disclosure Search

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Business Entity Detail

Data is updated to the California Business Search on Wednesday and Saturday mornings. Results reflect work processed through Tuesday, April 16, 2013. Please refer to **Processing Times** for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity.

Entity Name:	PG&E CORPORATION
Entity Number:	C1953580
Date Filed:	11/17/1995
Status:	ACTIVE
Jurisdiction:	CALIFORNIA
Entity Address:	77 BEALE ST 32ND FL
Entity City, State, Zip:	SAN FRANCISCO CA 94105
Agent for Service of Process:	LINDA Y H CHENG
Agent Address:	77 BEALE ST 32ND FL
Agent City, State, Zip:	SAN FRANCISCO CA 94105

* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code **section 2114** for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to **Name Availability**.
- For information on ordering certificates, copies of documents and/or status reports or to request a more extensive search, refer to **Information Requests**.
- For help with searching an entity name, refer to **Search Tips**.
- For descriptions of the various fields and status types, refer to **Field Descriptions and Status Definitions**.

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CORPORATE GOVERNANCE: PG&E CORPORATION BOARD OF DIRECTORS

[View Committees and Charters](#)


David R. Andrews
Retired Senior Vice President
Government Affairs, General Counsel,
and Secretary of PepsiCo, Inc.



Lewis Chew
Executive Vice President and Chief
Financial Officer of
Dolby Laboratories, Inc.



C. Lee Cox
Retired Vice Chairman of AirTouch
Communications, Inc. and
retired President and Chief Executive
Officer of AirTouch Cellular



Anthony F. Earley Jr.
Chairman of the Board,
Chief Executive Officer
and President of PG&E Corporation



Fred J. Fowler
Chairman of the Board of
Spectra Energy Partners, LP



Maryellen C. Herringer
Retired Executive Vice President,
General Counsel,
and Secretary of APL Limited



Roger H. Kimmel
Vice Chairman of Rothschild Inc.



Richard A. Meserve
President of Carnegie Institution of
Washington



Forrest E. Miller
Retired Group Vice President,
Corporate Strategy and Development of
AT&T Inc.



Rosendo (Ro) G. Parra
Retired Senior Vice President of Dell
Inc.



Barbara L. Rambo
Chief Executive Officer of Taconic
Management Services



Barry Lawson Williams
President of
Williams Pacific Ventures, Inc.

Standing Committees of the Boards of Directors

Audit Committees (PG&E Corporation and Pacific Gas and Electric Company)

[View Charter](#)

Review financial and accounting practices, internal controls, external and internal auditing programs, business ethics, and compliance with laws, regulations, and policies that may have a material impact on the Consolidated Financial Statements. Satisfy themselves as to the independence and competence of the independent public accountants, select and appoint the firm of independent public accountants to audit PG&E Corporation's and Pacific Gas and Electric Company's accounts, and pre-approve all audit and non-audit services provided by the independent public accountants.

Barry Lawson Williams, Chair
David R. Andrews
Lewis Chew
Maryellen C. Herringer
Forrest E. Miller

Compensation Committee (PG&E Corporation)

[View Charter](#)

Reviews employment, compensation, and benefits policies and practices, Board of Directors compensation, and long-range planning for officer development and succession.

C. Lee Cox, Chair